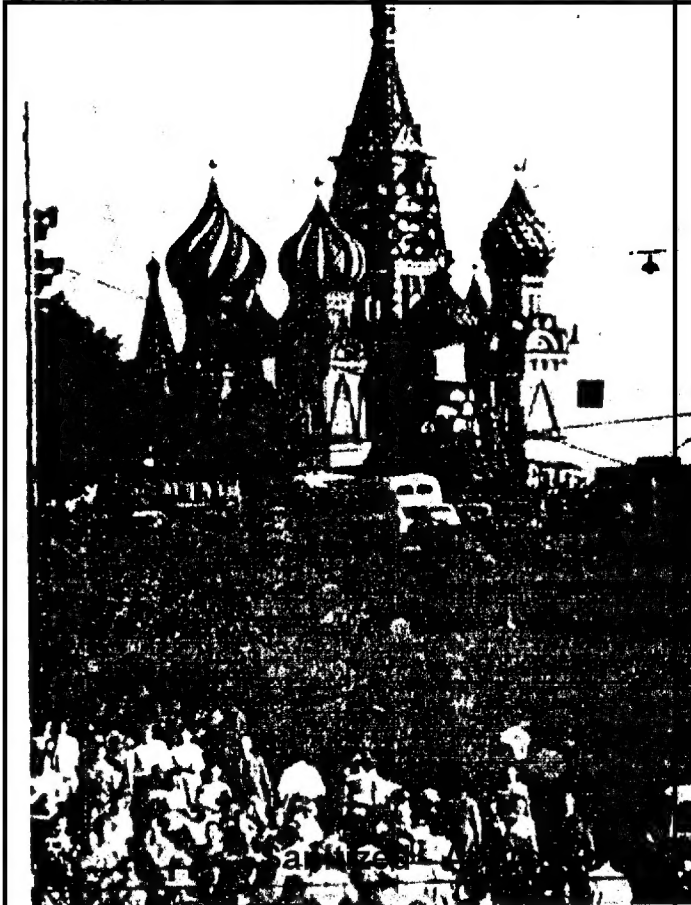


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OUTLOOK FOR U. S. TRADE WITH RUSSIA

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You hear increasing talk of vast new markets opening up in Russia for U. S. products.

What are the facts? Will wheat be followed by autos, machinery, steel, other things made in U. S.?

To get authoritative answers, "U. S. News & World Report" invited Eugene Braderman, Director of the Government's Bureau of International Commerce, to its conference room for an interview.

Mr. Braderman, a leading authority on trade, enforces U. S. restrictions on exports to Russia.

INTERVIEW WITH EUGENE BRADERMAN, U. S. EXPERT ON TRADE WITH RUSSIA

Q Mr. Braderman, an idea is growing that Soviet Russia may suddenly open up as a new market, offering 200 million customers for American business and agriculture. Is there a real basis for that idea?

A You must remember that there are customers and customers. The 7.5 million customers in Sweden offer a larger market for many products than the 400 million customers in India, as one example. The Swedish people enjoy a per capita income of around \$1,500 a year—those of India less than \$100 a year.

Q Might that be true of Russia, too?

A Yes. It's not just a question of numbers. Also, the Soviet Union believes basically in self-sufficiency. Its Government does not believe in trade for trade's sake. If the Soviets, for example, can make a standard handbag in sufficient numbers to satisfy what their planners regard as consumer needs, whether or not they are in fact, then they are not interested in importing handbags. It is the same with trade in the purchase of all products from abroad.

Q Yes, but Russia of late has come into the market for large amounts of grain and shows interest in other products as well. Does that suggest a changed attitude?

A The demand for wheat is a special situation, due to a poor harvest. Normally, Russia is an exporter of wheat and will strive to become an exporter once again. The Soviet Union tends to buy only what it feels impelled to buy.

Q How large, normally, are Russia's imports?

A Normally, the Soviet Union buys about \$1,117,000,000 worth of goods from Western Europe. She bought about 15 million dollars' worth of goods from U. S. in 1962. If you add the purchases of the Soviet-bloc countries of Eastern Europe, total purchases of Russia and her satellites amount to between 2 and 3 billion dollars. To put this trade in perspective, it needs to be pointed out that total exports from Western Europe amount to about 60 billion dollars. The purchases of the European Soviet bloc account for about 5 per cent of this total. That is not an impressive total.

Q There now is a widespread view that this trade could be expanded and that a big new market might be opened to American businessmen if only rules governing trade were changed. Is that a valid conclusion?

A Here, two things need to be pointed out: One is that the present restrictions on trade are not as great as many people seem to think. The second is that Soviet purchases abroad will depend importantly upon her ability to pay, and upon her whole attitude toward trade with the outside world.

Q Taking your first point, are Americans misinformed about what they can sell to Russia?

A People generally don't understand that there are many items that are not subject to individual license controls. A